

**Agenda Item 2**  
**Finance and Facilities**

MINUTES  
SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION  
Finance and Facilities Committee Meeting  
January 5, 2006  
9:05 a.m.  
CHE Conference Room

Committee Members Present

Ms. Rosemary Byerly  
Mr. Larry Durham  
Dr. Doug Forbes  
Mr. Dan Ravenel  
Mr. Jim Sanders

Guests Present

Mr. Bill Bragdon  
Mr. Craig Hess  
Mr. Scott Ludlow  
Mr. Gary McCombs  
Mr. Tim Rogers  
Ms. Christine Smalls  
Dr. John Sutusky

Committee Members Absent

Mr. Jim Konduros  
Mr. Neal Workman

Staff Present

Ms. Julie Carullo  
Ms. Alyson Goff  
Ms. Lynn Metcalf  
Ms. Jan Stewart

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

Ms. Byerly, chair of the Committee on Finance and Facilities, called the meeting to order. Ms. Carullo introduced the guests in attendance. The following matters were reported on:

**I. Approval of Minutes of Meeting on December 1, 2005**

Ms. Byerly noted that Mr. Durham had been added to the list of members present, and the minutes were then approved with the correction.

**II. Consideration of Interim Capital Projects**

Ms. Byerly described the projects and asked Ms. Metcalf to provide any additional information she believed would be beneficial to the committee. The following projects were presented and discussed:

- a. College of Charleston  
Patriot's Point Athletics Complex                      \$1,500,000      –increase budget

Ms. Metcalf explained the \$1.4 million being used from the sale of Remley's Point is the majority of funds remaining to be used per legislative mandate. She referenced the project description which contained the law requiring the College of Charleston to use proceeds from the sale for athletic, intramural, or sports programs. Mr. McCombs noted the institution realized the need to modify and increase the current athletic facility at Patriots Point.

Mr. Sanders asked for an explanation of excess debt service. Ms. Metcalf explained each institution is required by the State to reserve an amount of money within its fee structure. The funds are deposited with the State Treasurer which is used to pay capital debts. Ms. Metcalf noted sometimes when the debt is paid off there is extra money remaining. The State Treasurer cannot use those funds and they must be returned to the institution. The institution can then use the funds as needed.

It was moved (Ravenel), seconded (Durham), and voted to approve the project.

b. Medical University of SC

Clinical Science Building – Replace	\$800,000	–establish
Air Handlers		

Ms. Metcalf explained the project was routine repair and replacement and noted Dr. Sutusky from MUSC was available for further questions.

Dr. Forbes asked for an explanation of Institutional Capital Project Funds (ICPF). Ms. Metcalf answered that those were funds the institutions set aside to fund capital projects. Mr. Ravenel asked if the money came from the institution's annual operating funds. Dr. Sutusky answered that the funding came from tuition and fees. Mr. Ravenel noted it sounded like good management.

Dr. Forbes asked if it was the institution's solution for deferred maintenance. Ms. Metcalf answered that, while the amount assisted the institutions in preventing deferred maintenance, it was not sufficient to address the backlog of deferred maintenance.

Bio-safety Level 3 Facility Renovations	\$1,608,648	–increase budget
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Ms. Metcalf noted the substantial increase was due to the strict building requirements placed on the institution. Dr. Sutusky provided the committee with additional information. The University went to two cost estimators, T.H. Chang and AEI, to obtain cost estimates before asking for bids for the project. The two cost estimators provided an estimate of the cost based on the institution's design. The greatest expense in the type of facility is for the mechanical systems. All of the bids were high and reflected little variance in the costs of mechanical systems. The State Engineer instructed the institution to accept the lowest of the bids and proceed with the project.

Dr. Sutusky explained the Center for Disease Control dictated the lab requirements. As the lab is a level three (with four being the highest), Dr. Sutusky stated the institution could not afford not to take the necessary precautions. He noted the cost per square foot was extremely high, but it could not be avoided. He explained that currently MUSC researchers must travel to other labs in order to conduct parts of their research. He noted that was not good for the university or the State. Dr. Sutusky stated the MUSC Board of Trustees also struggled with the costs, but they

ultimately agreed unanimously. Dr. Sutusky noted that there was no other level-three lab in the State.

Dr. Forbes asked for an explanation of indirect cost recovery. Ms. Metcalf answered it is the money an institution receives when it is awarded a federal grant that is to be used for operation and management within the project.

It was moved (Sanders), seconded (Ravenel), and voted to approve the two projects.

#### **IV. Information Items**

Ms. Byerly noted the two information items on the sale of properties from MUSC. She reminded the committee that institutions are required to notify the Commission of any sale of property but no action is required by the Commission.

Mr. Ravenel asked for Dr. Sutusky to explain the exact physical location of 170 Ashley Avenue. Dr. Sutusky provided the information, as well as explaining MUSC's chosen course of action. Mr. Ravenel also asked for the exact physical location of the property sold in Colleton County. Dr. Sutusky provided that information as well.

#### **V. Staff Report on Prioritizing and Scoring Capital Improvement Bond Requests**

Ms. Byerly stated that the staff report had been scheduled at the request of Commissioner Workman. As he was not in attendance, Ms. Byerly suggested the committee hold the staff report until the next meeting. Mr. Sanders also provided the same suggestion. The committee agreed, and the report will be presented at the next meeting.

#### **VI. Other Business**

Ms. Byerly presented the committee members with the tentative meeting schedule for 2006. The next proposed meeting date of January 19 was discussed. Mr. Durham said he would not be able to attend as he would be attending another all-day meeting. Mr. Sanders, Mr. Ravenel, and Dr. Forbes agreed the date was available for them. Ms. Byerly stated she would check the date with Mr. Workman and Mr. Konduros. If the date is available to them, Ms. Byerly stated the next committee meeting would go as scheduled for the 19<sup>th</sup>.

In other business, Dr. Forbes asked Ms. Metcalf what would happen to the current USC Law School building if the new building received funding per the Commission's prioritized list submitted to the General Assembly. Ms. Metcalf noted the severe asbestos problems in existing the building, and she noted the law school has needed a new building for quite some time. Dr. Forbes asked if there were any plans for the current building if the law school should receive funding for a new building. Ms. Metcalf answered she did not know and referred to Mr. Bragdon from the University of South Carolina. Mr. Bragdon answered that no decision has been made on the disposition of the current building.

Dr. Forbes asked if the cost submitted on the priority list included demolition of the current building. Ms. Metcalf answered that it did not. She also noted the new law school building has been a work-in-progress for the past five years and has received some capital improvement bond funds for the project.

With no further business, the meeting was adjourned at 9:30 a.m.

Respectfully submitted,

Alyson M. Goff  
Recorder

\*Attachments are not included in this mailing, but will be filed with the permanent record of these minutes and are available for review upon request.